

SENATE BILL 325

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SB 267/99 - FIN

2000 Regular Session
0lr1919

By: **Senator Dorman**

Introduced and read first time: February 2, 2000

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 28, 2000

CHAPTER _____

1 AN ACT concerning

2 **Health Maintenance Organizations - Patient Access to Choice of Provider**

3 FOR the purpose of altering certain standards of care for health maintenance
4 organizations to make them apply to services of nurse practitioners in addition
5 to physicians; requiring health maintenance organizations to designate certain
6 providers as primary care providers; ~~defining certain terms~~; altering a certain
7 definition; and generally relating to health maintenance organizations.

8 BY repealing and reenacting, without amendments,
9 Article - Health - General
10 Section 19-701(a), (h), and (i)
11 Annotated Code of Maryland
12 (1996 Replacement Volume and 1999 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Health - General
15 Section 19-701(f)
16 Annotated Code of Maryland
17 (1996 Replacement Volume and 1999 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - Health - General
20 Section 19-705.1(b)
21 Annotated Code of Maryland
22 (1996 Replacement Volume and 1999 Supplement)
23 (As enacted by Chapters 127 and 128 of the Acts of the General Assembly of

1 1999)

2 Preamble

3 WHEREAS, The 1997 federal budget bill contains provisions allowing direct
4 Medicare reimbursement to nurse practitioners regardless of geographic setting; and

5 WHEREAS, The new Maryland Medicaid Program, known as "HealthChoice"
6 has recognized nurse practitioners as primary care providers; and

7 WHEREAS, The Maryland General Assembly passed Chapter 605 of the Acts of
8 1995, better known as the "Patient Access Act", which provided health maintenance
9 organization (HMO) members or subscribers greater access and choice of providers;
10 and

11 WHEREAS, The intent of the Maryland General Assembly is to support health
12 care providers who are practicing as their licenses allow; and

13 WHEREAS, The intent of the Maryland General Assembly is to allow members
14 or subscribers of HMOs the most choice in selecting a primary care provider; and

15 WHEREAS, This legislation is not intended to interfere with the current
16 relationship between physicians and nurse practitioners; and

17 WHEREAS, The intent of the Maryland General Assembly is to clarify the laws
18 of Maryland as they relate to allowing members or subscribers of HMOs the greatest
19 amount of choice in selecting a primary care provider for the provision of their health
20 care needs; now, therefore,

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article - Health - General**

24 19-701.

25 (a) In this subtitle the following words have the meanings indicated.

26 (f) "Health maintenance organization" means any person, including a profit
27 or nonprofit corporation organized under the laws of any state or country, that:

28 (1) Operates or proposes to operate in this State;

29 (2) Except as provided in § 19-703(b) and (f) of this subtitle, provides or
30 otherwise makes available to its members health care services that include at least
31 physician, hospitalization, laboratory, X-ray, emergency, and preventive services,
32 out-of-area coverage, and any other health care services that the Commissioner
33 determines to be available generally on an insured or prepaid basis in the area
34 serviced by the health maintenance organization, and, at the option of the health
35 maintenance organization, may provide additional coverage;

1 (3) Except for any copayment or deductible arrangement, is compensated
2 only on a predetermined periodic rate basis for providing to members the minimum
3 services that are specified in item (2) of this subsection;

4 (4) Assures its subscribers and members, the Commissioner, and the
5 Department that one clearly specified legal and administrative focal point or element
6 of the health maintenance organization has the responsibility of providing the
7 availability, accessibility, quality, and effective use of comprehensive health care
8 services; and

9 (5) Primarily provides services of physicians OR NURSE PRACTITIONERS:

10 (i) Directly through physicians OR NURSE PRACTITIONERS who
11 are either employees or partners of the health maintenance organization; or

12 (ii) Under arrangements with one or more groups of physicians OR
13 NURSE PRACTITIONERS, who are organized on a group practice or individual practice
14 basis, under which each group:

15 1. Is compensated for its services primarily on the basis of an
16 aggregate fixed sum or on a per capita basis; and

17 2. Is provided with an effective incentive to avoid
18 unnecessary inpatient use, whether the individual physician OR NURSE
19 PRACTITIONER members of the group are paid on a fee-for-service or other basis.

20 (h) "Provider" means any person, including a physician or hospital, who is
21 licensed or otherwise authorized in this State to provide health care services.

22 (i) "Subscriber" means a person who makes a contract with a health
23 maintenance organization, either directly or through an insurer or marketing
24 organization, under which the person or other designated persons are entitled to the
25 health care services.

26 19-705.1.

27 (b) The standards of quality of care shall include:

28 (1) (i) A requirement that a health maintenance organization shall
29 provide for regular hours during which a member may receive services, including
30 providing for services to a member in a timely manner that takes into account the
31 immediacy of need for services; and

32 (ii) Provisions for assuring that all covered services, including any
33 services for which the health maintenance organization has contracted, are accessible
34 to the enrollee with reasonable safeguards with respect to geographic locations;

35 (2) A requirement that a health maintenance organization shall have a
36 system for providing a member with 24-hour access to a physician in cases where

1 there is an immediate need for medical services, and for promoting timely access to
2 and continuity of health care services for members, including:

3 (i) Providing 24-hour access by telephone to a person who is able
4 to appropriately respond to calls from members and providers concerning after-hours
5 care; and

6 (ii) Providing a 24-hour toll free telephone access system for use in
7 hospital emergency departments in accordance with § 19-705.7 of this subtitle;

8 (3) A requirement that any nonparticipating provider shall submit to the
9 health maintenance organization the appropriate documentation of the medical
10 complaint of the member and the services rendered;

11 (4) A requirement that a health maintenance organization shall have a
12 physician OR NURSE PRACTITIONER available at all times to provide diagnostic and
13 treatment services;

14 (5) A requirement that a health maintenance organization shall assure
15 that:

16 (i) Each member who is seen for a medical complaint is evaluated
17 under the direction of a physician OR NURSE PRACTITIONER; and

18 (ii) Each member who receives diagnostic evaluation or treatment
19 is under the direct medical management of a health maintenance organization
20 physician who provides continuing medical management;

21 (6) A requirement that each member shall have an opportunity to select
22 a primary physician OR NURSE PRACTITIONER from among those available to the
23 health maintenance organization; [and]

24 (7) A REQUIREMENT THAT A HEALTH MAINTENANCE ORGANIZATION
25 SHALL DESIGNATE WHICH PHYSICIANS OR NURSE PRACTITIONERS AMONG THOSE
26 AVAILABLE TO THE HEALTH MAINTENANCE ORGANIZATION MAY BE CLASSIFIED AS
27 PRIMARY CARE PROVIDERS; AND

28 (8) A requirement that a health maintenance organization print, in any
29 directory of participating providers or hospitals, in a conspicuous manner, the
30 address, telephone number, and facsimile number of the State agency that members,
31 enrollees, and insureds may call to discuss quality of care issues, life and health
32 insurance complaints, and assistance in resolving billing and payment disputes with
33 the health plan or health care provider, as follows:

34 (i) For quality of care issues and life and health care insurance
35 complaints, the Maryland Insurance Administration; and

36 (ii) For assistance in resolving a billing or payment dispute with
37 the health plan or a health care provider, the Health Education and Advocacy Unit of
38 the Consumer Protection Division of the Office of the Attorney General.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2000.